CUMBERLAND COLLEGE

Financial Statements

Year Ended June 30, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Cumberland College

We have audited the accompanying financial statements of Cumberland College, which comprise the statement of financial position as at June 30, 2016 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cumberland College as at June 30, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

NeuPath Group

Nipawin, Saskatchewan
September 27, 2016

Chartered Accountants

CUMBERLAND COLLEGE

Statement of Financial Position (Statement 1)

June 30, 2016

	2016	2015
Financial Assets		
Cash and cash equivalents *(Note 3)*	$ 2,769,741	$ 2,944,333
Accounts receivable *(Note 4)*	102,995	191,291
	2,872,736	3,135,624
Liabilities		
Accounts payable and accrued liabilities *(Note 6)*	104,155	234,219
Accrued salaries and benefits *(Note 7)*	177,117	178,990
Deferred revenue *(Note 8.)*	81,069	144,053
Liability for employee future benefits *(Note 9)*	127,800	127,300
	490,141	684,562
Net Financial Assets	2,382,595	2,451,062
Non-Financial Assets		
Tangible capital assets *(Schedule 5)*	5,408,183	5,829,913
Prepaid expenses	27,228	27,527
	5,435,411	5,857,440
Accumulated Surplus *(Note 14)*	$ 7,818,006	$ 8,308,502

Contractual obligations

Contingent liability *(Note 16)*

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

CUMBERLAND COLLEGE

Statement of Operations and Accumulated Surplus (Statement 2)

Year Ended June 30, 2016

	(Budget - note 12) 2016	2016	2015
REVENUES (Schedule 2)			
Provincial government			
Grants	$ 4,906,854	$ 4,815,922	$ 4,754,752
Other	317,704	258,933	347,960
Federal government			
Other	115,249	80,835	187,736
Other revenue			
Administrative recoveries	-	8,822	7,172
Contracts	254,184	445,075	531,432
Interest	40,000	34,683	47,360
Rents	800	1,535	2,145
Resale items	44,900	133,232	125,065
Tuition	639,220	822,398	722,610
Donations	74,000	49,140	56,862
Other	14,000	37,215	23,658
	6,406,911	6,687,790	6,806,752
EXPENSES (Schedule 3)			
General	2,717,630	2,923,566	3,229,827
Skills training	1,170,786	1,594,134	1,922,917
Basic education	1,763,021	1,625,675	1,766,568
Services	535,369	555,382	506,486
University	399,438	362,479	356,129
Scholarships	148,000	117,050	111,990
	6,734,244	7,178,286	7,893,917
Surplus (Deficit) for the Year from Operations	(327,333)	(490,496)	(1,087,165)
Accumulated Surplus, Beginning of Year	9,395,667	8,308,502	9,395,667
Accumulated Surplus, End of Year	$ 9,068,334	$ 7,818,006	$ 8,308,502

See notes to financial statements

CUMBERLAND COLLEGE

Statement of Changes in Net Financial Assets (Statement 3)

Year Ended June 30, 2016

	Budget 2015	2016	2015
Surplus (Deficit) for the Year from Operations	$ (327,333)	$ (490,496)	$ (1,087,165)
Acquisition of tangible capital assets	-	(43,900)	(24,098)
Amortization of tangible capital assets	-	450,956	441,399
Loss (gain) on disposal of tangible capital assets	-	14,673	-
Use (purchase) of prepaid expenses	-	300	1,799
Change in net financial assets	(327,333)	(68,467)	(668,065)
Net financial assets at beginning of year	3,119,127	2,451,062	3,119,127
Net financial assets at end of year	$ 2,791,794	$ 2,382,595	$ 2,451,062

See notes to financial statements

CUMBERLAND COLLEGE

Statement of Cash Flows (Statement 4)

Year Ended June 30, 2016

	2016	2015
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year from Operations	$ (490,496)	$ (1,087,165)
Items not affecting cash:		
Amortization of tangible capital assets	450,956	441,399
Loss (gain) on disposal of tangible capital assets	14,673	-
	(24,867)	(645,766)
Changes in non-cash working capital:		
Accounts receivable	88,296	493,351
Accounts payable and accrued liabilities	(130,064)	125,111
Accrued salaries and benefits	(1,873)	17,344
Deferred revenue	(62,984)	144,053
Liability for employee future benefits	500	5,400
Prepaid expenses	300	1,799
	(105,825)	787,058
Cash flow from (used by) operating activities	(130,692)	141,292
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(43,900)	(24,098)
INCREASE (DECREASE) IN CASH FLOW	(174,592)	117,194
Cash and cash equivalents - beginning of year	2,944,333	2,827,139
Cash and cash equivalents - end of year	$ 2,769,741	$ 2,944,333

See notes to financial statements

1. PURPOSE AND AUTHORITY

Cumberland College (formerly Cumberland Regional College) (the College) was established by Saskatchewan Order in Council #34/75 dated January 14, 1974.

The College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board of Directors plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of the regional constituents and industry. The Cumberland College is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a government not-for-profit organization, the College prepared these financial statements in accordance with Canadian public sector accounting standards for government reporting entities. The accounting standards followed for government not-for-profit organizations is the CPA Canada Public Sector Accounting (PSA) Handbook.

College Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the College reporting entity.

Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with PSA standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Uncertainty in the determination of the amount at which an item is recognized or disclosed in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of $127,800 (2015 - $127,300) because actual experience may differ significantly from actuarial or historical estimations and assumptions;
- useful lives of tangible capital assets and related amortization for buildings, leasehold improvements, furniture and equipment and vehicles because actual experience may differ from historical estimations and assumptions;
- allowance for doubtful accounts of $21,800 (2015 - $45,429) because actual collections of accounts receivable may differ from estimated collections.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized or disclosed.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial Instruments

Financial instruments create rights and obligations to receive or deliver economic benefits. Financial instruments include cash and cash equivalents, accounts receivable, accrued salaries and benefits and accounts payable and accrued liabilities.

Financial instruments are assigned to one of two measurement categories: fair value, or cost or amortized cost.

i) **Fair Value**
Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market.

As at June 30, 2016 and June 30, 2015 the College did not own any portfolio investments in equity instruments.

ii) **Cost or Amortized Cost**
All other financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Receivables are measured at amortized cost. Due to their short-term nature, the amortized cost of these instruments approximates their fair value.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

Cash and Cash Equivalents consist of cash and bank deposits.

Accounts Receivable are shown net of allowance for doubtful accounts to reflect their expected net recoverable value. Valuation allowances are recorded where recovery is considered uncertain. Changes in valuation allowances are recorded in the statement of operations.

Liabilities

Liabilities are present obligations arising from transactions and events occurring prior to year end, which will be satisfied in the future through the use of assets or another form of economic settlement.

Accrued Salaries and Benefits represents salaries and benefits owing to or on behalf of work performed by employees, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

Accounts Payable and Accrued Liabilities include accounts payable and accrued liabilities owing to third parties for goods supplied and services rendered, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deferred revenue from government transfers represents restricted grants with stipulations that give rise to a liability for which the stipulations have not yet been fulfilled. The revenue is recognized as the stipulation liabilities are settled. Deferred revenue from non-government sources represents revenue related to fees or services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Tuition and fee revenue is recognized as the course is delivered, revenue from contractual services is recognized as the services are delivered, and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified.

Liability for Employee Future Benefits represents non-vesting sick leave benefits that accrue to the College's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected sick leave usage, discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. Extrapolations of these valuations are made when a valuation is not done in the current fiscal year.

Non-Financial Assets

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the College unless they are sold.

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the College to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at cost and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The College does not capitalize interest incurred while a tangible capital asset is under construction. Contributed tangible capital assets are recorded at their fair value at the date of receipt.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Buildings	20 years
Leasehold improvements	20 years
Furniture, equipment and computers	3 to 10 years
Automotive equipment	5 years
System development	3 years

Write-downs are accounted for as expenses in the statement of operations.

Assets that have a historical or cultural significance, such as works of art and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

Prepaid Expenses are prepaid amounts for goods or services such as insurance premiums, membership fees, Workers' Compensation premiums, advertising, rent etc., which will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee Pension Plans

Multi-Employer Defined Benefit Plans
The College's employees participate in one of the following multi-employer defined benefit plans:

i) Teachers and other employees holding a teaching certificate participate in either the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The College's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.

ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSA standards, the plan is accounted for as a defined contribution plan whereby the College's contributions are expensed when due.

Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

The College's major sources of revenue include the following:

i) **Government Transfers (Grants)**
Grants from governments are considered to be government transfers. Government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability.

ii) **Fees and Services**
Revenues from tuition fees and other services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

iii) **Interest Income**
Interest is recognized on an accrual basis when it is earned.

iv) **Other (Non-Government Transfer) Contributions**
Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Contingent Liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

3. CASH AND CASH EQUIVALENTS

Due to the short-term nature of the investments, market value of cash and cash equivalents approximates costs. The College's cash and cash equivalents consist solely of cash and bank deposits.

4. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts.

	2016	2015
Provincial government:		
Advanced Education/Economy	$ 19,977	$ 26,038
Federal government	41,201	93,955
Other receivables	63,617	116,727
	124,795	236,720
Allowance for Doubtful Accounts	(21,800)	(45,429)
	$ 102,995	$ 191,291

5. BANK INDEBTEDNESS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of $100,000 that bears interest at bank prime less 0.5% per annum. This line of credit is authorized by a borrowing resolution by the Board and is secured by a general security agreement. The balance drawn on the line of credit at June 30, 2016 was $nil (2015 - $nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade payables and accrued liabilities	$ 77,848	$ 204,070
Deposits	26,307	30,149
	$ 104,155	$ 234,219

7. ACCRUED SALARIES AND BENEFITS

	2016	2015
Accrued vacation salaries	$ 177,117	$ 178,990

8. DEFERRED REVENUE

Deferred revenue consists of non-government revenues, as follows:

	June 30, 2015	Additions during the year	Revenue recognized in the year	June 30, 2016
International Minerals Innovation Institute	$ 144,053	101,346	183,155	62,244
Tuition fees	-	18,825	-	18,825
	$ 144,053	120,171	183,155	81,069

9. LIABILITY FOR EMPLOYEE FUTURE BENEFITS

The College provides accumulating non-vested sick leave benefits to its employees. Significant assumptions include an estimate of inflation, discount rate, employee demographics and sick leave usage of active employees. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position.

Details of the employee future benefits are as follows:

	June 30, 2016	June 30, 2015
Actuarial valuation date	August 8, 2016	June 30, 2013
Long-term assumptions used:		
Salary escalation rate	1.50%	1.75%
Discount rate	1.9%	2.3%
Expected average remaining service life (years)	10.7	10.7

	2016	2015
Liability for Employee Future Benefits		
Accrued Benefit Obligation - beginning of year	$ 131,200	$ 123,500
Current period benefit cost	16,600	22,900
Valuation effect	(20,700)	-
Interest cost	2,500	3,500
Benefit payments	(18,900)	(21,100)
Actuarial (gains) losses	2,700	2,400
Actuarial Benefit Obligation - end of year	113,400	131,200
Unamortized Net Actuarial Gains (Losses)	14,400	(3,900)
Liability for Employee Future Benefits	$ 127,800	$ 127,300

	2016	2015
Employee Future Benefits Expense		
Current period benefit cost	$ 16,600	$ 22,900
Amortization of net actuarial (gain) loss	300	100
Benefit cost	16,900	23,000
Interest cost on unfunded employee future benefit obligation	2,500	3,500
Total Employee Future Benefit Expense	$ 19,400	$ 26,500

10. EMPLOYEE PENSION PLANS

Multi-Employer Defined Benefit Plans

i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP):

The STRP and STSP provide retirement benefits based on length of service and pensionable earnings.

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The College's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

Details of the contributions to these plans for the College's employees are as follows:

	2016			2015
	STRP	STSP	TOTAL	TOTAL
Number of active College members	14	2	16	17
Member contribution rate (percentage of salary)				
Integrated rate	10.2%	6.05%		9.1%/6.05%
Non-integrated rate	12.4%	7.85%		11.3%/7.85%
Member contributions for the year	$100,253	$9,582	$109,835	$118,814

ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with PSA standards, the plan is accounted for as a defined contribution plan whereby the College's contributions are expensed when due.

Details of the MEPP are as follows:

	2016	2015
Number of active College members	53	56
Member contribution rate (percentage of salary)	8.15%	8.15%
College contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	$192,436	$193,904
College contributions for the year	$192,436	$193,904

11. RISK MANAGEMENT

The College is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk).

i) Credit Risk

Credit risk is the risk to the College from potential non-payment of accounts receivable. The credit risk related to the College's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the College has adopted credit policies which includes close monitoring of overdue accounts. The College does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

The College is also exposed to credit risk from cash and cash equivalents. The College manages this credit risk by dealing solely with reputable banks and financial institutions. The College invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing liquidity to meet cash flow requirements.

ii) Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they come due. The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities.

iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College's interest rate exposure is limited to cash and cash equivalents. The College also has an authorized bank line of credit of $100,000 with interest payable monthly at a rate of prime less 0.5%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of June 30, 2016 or June 30, 2015.

The College minimizes these risks by:

- holding cash in an account at a Canadian financial institution, denominated in Canadian currency
- investing surplus cash in variable rate savings accounts
- managing cash flows to minimize utilization of its bank line of credit

12. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Directors on April 28, 2015 and the Minister of Advanced Education on June 29, 2015. The budget figures are unaudited.

13. RELATED PARTIES

These financial statements include transactions with related parties. The College is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges and crown corporations under the common control of the Government of Saskatchewan. The College is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the College is related to other non-Government organizations by virtue of its economic interest in these organizations.

Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

	2016	2015
Revenues:		
Community Initiatives Fund	$ -	$ 3,920
Gabriel Dumont Institute	-	20,000
Kelsey Trail Health Region	68,059	33,408
Ministry of Central Services	52,057	-
Ministry of Advanced Education/Economy	4,986,093	5,065,930
North East School Division	219,759	194,307
Sask Advantage Scholarship	31,500	24,500
Saskatchewan Polytechnic	14,882	-
Sask Power	12,570	25,340
Saskatchewan Workers Compensation Board	8,648	9,500
University of Saskatchewan	1,260	-
University of Regina	3,647	-
	$ 5,398,475	$ 5,376,905

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13. RELATED PARTIES *(continued)*

	2016	2015
Expenses:		
Association of Saskatchewan Regional Colleges	$ 30,419	$ 43,267
Ministry of Central Services	52,732	74,484
Ministry of Finance	7,310	14,528
Gabriel Dumont Institute	285	1,588
North East School Division	131,210	142,496
Other Regional Colleges	10,636	15,356
Sask Energy	11,778	11,843
Sask Power	33,107	31,684
Kelsey Trail Health Region	4,277	440
Municipal Employees Pension Plan	387,005	387,809
SGI	4,189	1,121
Sask Apprenticeship & Trade Certification Commission	20	40
Sask Government Employees Union	103,476	105,577
Saskatchewan Indian Institute of Technologies	163	-
Sask Polytechnic	635,874	700,913
Saskatchewan Professional Development Unit	1,680	-
STC	38	39
Saskatchewan Teachers Federation	25	-
Saskatchewan Teachers Retirement Plan	100,973	98,285
Saskatchewan Teachers Superannuation Commission	12,020	12,917
Saskatchewan Workers' Compensation Board	14,288	14,810
Sask Tel/Sask Mobility	45,618	49,643
Sun West School Division	2,500	-
Technical Safety Authority of Saskatchewan	183	-
Tourism Saskatchewan	2,724	8,657
University of Saskatchewan	55,062	600
University of Regina	221,500	235,567
	$ 1,869,092	$ 1,951,664
Accounts Receivable:		
Kelsey Trail Health Region	$ -	$ 33,408
Ministry of Advanced Education/Economy	19,977	26,038
Other Regional Colleges	1,456	1,644
Sask Polytechnic	58	1,465
Saskatchewan Government Employees Union	8,984	7,172
Saskatchewan Workers' Compensation Board	334	-
University of Regina	95	616
	$ 30,904	$ 70,343
Accounts Payable and Accrued Liabilities:		
Ministry of Central Services	$ 2,931	$ 4,303
Municipal Employees Pension Plan	27	-
North East School Division	12,147	12,570
Other Regional Colleges	1,100	-
University of Saskatchewan	-	22,620
	$ 16,205	$ 39,493

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13. RELATED PARTIES *(continued)*

	2016	2015

In addition, the College pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

The College receives long distance telephone services between major centres from SaskTel, a related party, at reduced rates available to Government agencies.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements or notes thereto.

14. ACCUMULATED SURPLUS

Accumulated surplus represents the financial assets and non-financial assets of the College less liabilities. This represents the accumulated balance of net surplus arising from the operations of the College.

Certain amounts of the accumulated operating surplus, as approved by the Board, have been designated for specific future purposes such as for program development, human resources, capital reserves, etc. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position.

The College does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	June 30, 2015	Additions during the year	Reductions during the year	June 30, 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 5,829,913	$ 43,900	$ (465,630)	$ 5,408,183
Internally Restricted Operating Surplus:				
Capital Projects:				
Melfort campus development	246,500	-	-	246,500
Melfort campus	-	342,420	-	342,420
Nipawin facility	187,358	-	-	187,358
Other:				
Operations	56,728	-	-	56,728
Programs and services	375,620	-	(157,287)	218,333
ABE	299,668	-	(53,204)	246,464
ABE on reserve	242,240	-	(71,296)	170,944
ESL	28,248	-	(28,248)	-
Skills training	29,523	-	(29,523)	-
Learner support	378,494	-	-	378,494
Scholarships - ministry	47,032	-	(47,032)	-
Scholarships - donors	27,988	16,120	(27,988)	16,120
Building operating maintenance	100,000	-	-	100,000
Preventative maintenance renewal	22,000	-	-	22,000
Professional development	22,685	3,484	(16,212)	9,957
Initiatives	214,505	-	-	214,505
	2,278,589	362,024	(430,790)	2,209,823
Unrestricted Operating Surplus	200,000	430,790	(430,790)	200,000
Total Accumulated Surplus	$ 8,308,502	$ 836,714	$ (1,327,210)	$ 7,818,006

15. CONTRACTUAL OBLIGATIONS

Significant operating lease obligations of the College are as follows:

	Copier Leases
2017	$ 15,584
2018	15,584
2019	3,896
	$ 35,064

16. CONTINGENT LIABILITY

A union representing employees of an employer unrelated to the College has applied by Notice of Motion for an order quashing purported decisions of the Municipal Employees Pension Plan, relating to the application of actuarial surplus in the fund, as well as other relief. Several participating employers, including the College have been named. The outcome of this action is not determinable as at the date of reporting and, accordingly, no provision has been made in these financial statements for any liability that may result.

CUMBERLAND COLLEGE
Schedule of Revenues and Expenses by Function (Schedule 1)
For the year ended June 30, 2016

	2016 Actual									2016	2016	2015
	General	Skills Training		Basic Education		Services		University	Scholarships			
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel	Credit		Actual	Budget	Actual
Revenues (Schedule 2)												
Provincial government	$ 2,422,293	$ 934,888	$ 6,052	$ 1,383,072	$ 97,627	$ 230,923	$ -	$ -	$ -	$ 5,074,855	$ 5,224,558	$ 5,102,712
Federal government	(26,532)	-	-	-	107,367	-	-	-	-	80,835	115,249	187,736
Other	56,167	651,743	268,675	219,759	5,230	31,441	-	249,945	49,140	1,532,100	1,067,104	1,516,304
Total Revenues	2,451,928	1,586,631	274,727	1,602,831	210,224	262,364	-	249,945	49,140	6,687,790	6,406,911	6,806,752
Expenses (Schedule 3)												
Agency contracts	-	460,127	134,909	13,258	145	3,760	-	234,258	-	846,457	734,502	1,088,723
Amortization	465,630	-	-	-	-	-	-	-	-	465,630	-	441,399
Equipment	60,246	21,209	1,765	12,646	2,327	7,228	2,101	942	-	108,464	154,610	126,137
Facilities	219,507	-	2,393	4,167	6,833	165	34	1,341	-	234,440	289,138	314,735
Information technology	84,116	399	-	1,705	-	1,509	-	-	-	87,729	128,060	109,921
Operating	362,458	253,674	45,129	87,891	17,279	55,790	2,413	5,518	-	830,152	756,276	1,015,155
Personal services	1,731,610	580,652	93,877	1,332,372	147,052	394,534	87,848	120,420	-	4,488,365	4,521,658	4,685,857
Scholarships	-	-	-	-	-	-	-	-	117,050	117,050	148,000	111,990
Total Expenses	2,923,566	1,316,061	278,073	1,452,039	173,636	462,986	92,396	362,479	117,050	7,178,286	6,734,244	7,893,917
Surplus (Deficit) for the year	$ (471,638)	$ 270,570	$ (3,346)	$ 150,792	$ 36,588	$ (200,622)	$ (92,396)	$ (112,534)	$ (67,910)	$ (490,496)	$ (327,333)	$ (1,087,165)

CUMBERLAND COLLEGE
Schedule of Revenues by Function (Schedule 2)
for the year ended June 30, 2016

	2016 Actual									2016	2016	2015
	General	Skills Training		Basic Education		Services		University	Scholarships	Total Revenues Actual	Total Revenues Budget	Total Revenues Actual
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel	Credit				
Provincial Government												
Advanced Education/ Economy												
Operating grants	$ 2,315,540	$ -	$ -	$ 25,500	$ -	$ 191,160	$ -	$ -	$ -	$ 2,532,200	$ 2,545,300	$ 2,561,000
Program grants	-	934,888	5,792	1,208,374	56,500	8,468	-	-		2,214,022	2,361,554	2,193,752
Capital grants	69,700	-	-	-	-	-	-	-	-	69,700	-	-
	2,385,240	934,888	5,792	1,233,874	56,500	199,628	-	-	-	4,815,922	4,906,854	4,754,752
Contracts	-	-	260	149,198	41,127	31,295	-	-	-	221,880	278,863	311,178
Other	-	-	-	-	-	-	-	-	-	-	-	-
	2,385,240	934,888	6,052	1,383,072	97,627	230,923	-	-	-	5,037,802	5,185,717	5,065,930
Other provincial	37,053	-	-	-	-	-	-	-	-	37,053	38,841	36,782
Total Provincial	2,422,293	934,888	6,052	1,383,072	97,627	230,923	-	-	-	5,074,855	5,224,558	5,102,712
Federal Government												
Operating grants	-	-	-	-	-	-	-	-	-	-	-	-
Program grants	-	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal	(26,532)	-	-	-	107,367	-	-	-	-	80,835	115,249	187,736
Total Federal	(26,532)	-	-	-	107,367	-	-	-	-	80,835	115,249	187,736
Other Revenue												
Admin recovery	8,822	-	-	-	-	-	-	-	-	8,822	-	7,172
Contracts	-	183,995	34,708	219,759	-	5,353	-	1,260	-	445,075	254,184	531,432
Interest	34,683	-	-	-	-	-	-	-	-	34,683	40,000	47,360
Rents	1,535	-	-	-	-	-	-	-	-	1,535	800	2,145
Resale items	-	102,773	27,248	-	1,286	-	-	1,925	-	133,232	44,900	125,065
Tuitions	-	364,975	206,719	-	3,944	-	-	246,760	-	822,398	639,220	722,610
Donations	-	-	-	-	-	-	-	-	49,140	49,140	74,000	56,862
Other	11,127			-	-	26,088	-	-	-	37,215	14,000	23,658
Total Other	56,167	651,743	268,675	219,759	5,230	31,441	-	249,945	49,140	1,532,100	1,067,104	1,516,304
Total Revenues	$ 2,451,928	$ 1,586,631	$ 274,727	$ 1,602,831	$ 210,224	$ 262,364	$ -	$ 249,945	$ 49,140	$ 6,687,790	$ 6,406,911	$ 6,806,752

CUMBERLAND COLLEGE
Schedule of Expenses by Function (Schedule 3)
For the year ended June 30, 2016

	2016 Expenses Actual									2016	2016	2015
	General (Schedule 4)	Skills Training		Basic Education		Services		University	Scholarships	Total Expenses Actual	Total Expenses Budget	Total Expenses Actual
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel	Credit				
Agency Contracts												
Contracts	$ -	$ 460,127	$ 134,909	$ 13,258	$ 145	$ 3,760	$ -	$ 234,258	$ -	$ 846,457	$ 734,502	$ 1,088,723
Instructors	-	-	-	-	-	-	-	-	-	-	-	-
	-	460,127	134,909	13,258	145	3,760	-	234,258	-	846,457	734,502	1,088,723
Amortization	465,630	-	-	-	-	-	-	-	-	465,630	-	441,399
Equipment												
Equipment (non-capital)	16,372	16,875	-	2,132	-	-	-	-	-	35,379	62,000	41,794
Rental	43,413	4,334	1,765	10,514	2,327	7,223	2,101	942	-	72,624	88,310	83,503
Repairs and maintenance	461	-	-	-	-	-	-	-	-	461	4,300	840
	60,246	21,209	1,765	12,646	2,327	7,226	2,101	942	-	108,464	154,610	126,137
Facilities												
Building supplies	22,097	-	-	-	62		34	-	-	22,193	15,130	17,659
Grounds	11,168	-	-	-	-	-	-	-	-	11,168	4,825	5,283
Janitorial	18,968	-	-	4,090	-	-	-	-	-	23,058	21,847	28,596
Rental	95,550	-	2,393	77	6,771	165	-	1,341	-	106,297	150,479	150,156
Repairs & maintenance buildings	13,208	-	-	-	-	-	-	-	-	13,208	34,006	52,225
Utilities	58,516	-	-	-	-	-	-	-	-	58,516	62,851	60,816
	219,507	-	2,393	4,167	6,833	165	34	1,341	-	234,440	289,138	314,735
Information Technology												
Computer services	7,571	-	-	1,656	-	-	-	-	-	9,227	12,000	13,076
Data communications	-	-	-	-	-	-	-	-	-	-	-	-
Equipment (non-capital)	51,897	399	-	-	-	-	-	-	-	52,296	78,900	73,659
Materials & supplies	1,685	-	-	-	-	-	-	-	-	1,685	2,500	2,035
Rental	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & maintenance buildings	-	-	-	-	-	-	-	-	-	-	3,100	1,240
Software (non-capital)	22,963	-	-	49	-	1,509	-	-	-	24,521	31,560	19,911
	84,116	399	-	1,705	-	1,509	-	-	-	87,729	128,060	109,921
Operating												
Advertising	57,803	192	6,233	319	1,495	1,335	-	-		67,377	99,560	83,122
Association fees & dues	36,632	1,495	-	-	180	25	-	-		38,332	34,395	39,675
Bad debts	(18,320)	-	-	-	-	-	-	-		(18,320)	-	32,735
Financial services	11,651	-	-	25	-	-	25	13		11,714	8,500	8,878
In-service (includes PD)	52,280	2,774	-	10,297	2,408	1,256	1,953	686		71,654	71,132	45,047
Insurance	30,957	-	-	-	-	-	-	-		30,957	33,041	31,319
Materials & supplies	32,916	80,782	2,552	55,649	9,715	21,137	18	922		203,691	160,057	207,982
Postage, freight & courier	11,339	730	293	80	12	21	-	54		12,534	13,700	13,359
Printing & copying	4,084	-	155	-	27	235	-	880		5,381	15,500	5,133
Professional services	29,965	49,595	-	-	-	15,733	-	-		95,293	72,090	110,912
Resale items	-	101,973	28,096	-	-	304	-	-		130,373	54,733	134,550
Subscriptions	1,383	-	-	1,373	-	-	-	-		2,756	2,300	5,911
Telephone & fax	32,640	1,767	-	5,962	975	2,494	-	2,514		46,352	49,445	49,635
Travel	56,347	13,178	7,795	13,667	2,467	3,115	417	449		97,435	124,316	111,647
Other	22,781	1,188		519	-	10,135				34,623	19,567	35,250
	362,458	253,674	45,129	87,891	17,279	55,790	2,413	5,518	-	830,152	758,276	1,015,155
Personnel Services												
Employee benefits	259,556	72,691	8,208	140,321	17,466	56,297	6,098	17,858		578,495	501,687	593,831
Honoraria	15,673	965	-	560	15	2,839		-		20,052	14,190	23,296
Salaries	1,456,381	506,096	85,669	1,191,491	129,571	335,398	81,750	102,562		3,889,918	4,005,781	4,068,730
Other	-	-	-	-	-	-	-	-		-	-	-
	1,731,610	580,652	93,877	1,332,372	147,052	394,534	87,848	120,420	-	4,488,365	4,521,658	4,685,857
Scholarships												
Other	-	-	-	-	-	-	-	-	117,050	117,050	148,000	111,990
Total Expenses	$ 2,923,566	$ 1,316,061	$ 278,073	$ 1,452,039	$ 173,636	$ 462,986	$ 92,396	$ 362,479	$ 117,050	$ 7,178,286	$ 6,734,244	$ 7,893,917

CUMBERLAND COLLEGE
Schedule of General Expenses by Functional Area (Schedule 4)
for the year ended June 30, 2015

	2016 General Actual				2016	2016	2015
	Governance	Operating and Administration	Facilities and Equipment	Information Technology	Total General Actual	Total General Budget	Total General Actual
Agency Contracts							
Contracts	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Instructors	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Amortization	-	-	465,630	-	465,630	-	441,399
Equipment							
Equipment (non-capital)	-	-	16,372	-	16,372	47,000	13,862
Rental	-	-	43,413	-	43,413	54,800	48,789
Repairs and maintenance	-	-	461	-	461	1,300	700
	-	-	60,246	-	60,246	103,100	63,351
Facilities							
Building supplies	-	-	22,097	-	22,097	15,130	17,528
Grounds	-	-	11,168	-	11,168	4,825	5,283
Janitorial	-	-	18,968	-	18,968	17,847	24,646
Rental	-	-	95,550	-	95,550	100,029	122,854
Repairs & maintenance buildings	-	-	13,208	-	13,208	34,008	51,595
Utilities	-	-	58,516	-	58,516	62,851	60,816
	-	-	219,507	-	219,507	234,688	282,722
Information Technology							
Computer services	-	-	-	7,571	7,571	12,000	10,595
Data communications	-	-	-	-	-	-	-
Equipment (non-capital)	-	-	-	51,697	51,697	78,900	72,030
Materials & supplies	-	-	-	1,685	1,685	2,500	2,035
Rental	-	-	-	-	-	-	-
Repairs & maintenance buildings	-	-	-	-	-	3,100	1,240
Software (non-capital)	-	-	-	22,963	22,963	21,630	15,357
	-	-	-	84,116	84,116	118,130	101,257
Operating							
Advertising	-	57,803	-	-	57,803	76,500	72,280
Association fees & dues	-	36,632	-	-	36,632	34,195	37,088
Bad debts	-	(18,320)	-	-	(18,320)	-	32,735
Financial services	-	11,651	-	-	11,651	8,500	8,840
In-service (includes PD)	-	52,280	-	-	52,280	46,548	33,030
Insurance	-	30,957	-	-	30,957	33,041	31,319
Materials & supplies	-	32,916	-	-	32,916	43,910	35,572
Postage, freight & courier	-	11,339	-	-	11,339	10,600	12,084
Printing & copying	-	4,084	-	-	4,084	9,000	4,840
Professional services	-	29,965	-	-	29,965	46,650	29,255
Resale items	-	-	-	-	-	10,000	869
Subscriptions	-	1,383	-	-	1,383	725	4,595
Telephone & fax	-	32,640	-	-	32,640	33,955	35,379
Travel	-	56,347	-	-	56,347	53,100	63,128
Other	-	22,781	-	-	22,781	8,400	24,696
	-	362,458	-	-	362,458	415,124	425,690
Personnel Services							
Employee benefits	-	231,285	-	28,271	259,556	266,647	276,141
Honoraria	15,673	-	-	-	15,673	12,190	13,143
Salaries	-	1,316,523	-	139,858	1,456,381	1,566,751	1,626,124
Other	-	-	-	-	-	-	-
	15,673	1,547,807	-	168,129	1,731,610	1,845,588	1,915,408
Total General Expenses	$ 15,673	$ 1,910,265	$ 745,382	$ 252,245	$ 2,923,566	$ 2,716,630	$ 3,229,627

CUMBERLAND COLLEGE
Schedule of Tangible Capital Assets *(Schedule 5)*
Year Ended June 30, 2016

	Buildings	Leasehold Improvements	Furniture, Equipment and Computers	Automotive Equipment	System Development	Total 2016	Total 2015
Tangible Capital Assets - at Cost:							
Opening Balance at Start of Year	$ 8,176,278	$ 102,884	$ 934,738	$ 13,331	$ 32,384	$ 9,259,615	$ 9,235,516
Additions/Purchases	-	-	19,505	24,395	-	43,900	24,098
Disposals	-	(36,459)	-	-	-	(36,459)	-
Write-downs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing Balance at End of Year	$ 8,176,278	$ 66,425	$ 954,243	$ 37,726	$ 32,384	$ 9,267,056	$ 9,259,616
Tangible Capital Assets - Amortization:							
Opening Balance at Start of Year	$ 2,445,696	$ 35,159	$ 908,466	$ 7,998	$ 32,384	$ 3,429,703	$ 2,988,304
Amortization of the period	409,834	3,321	30,256	7,545	-	450,956	441,399
Disposals	-	(21,786)	-	-	-	(21,786)	-
Write-downs	-	-	-	-	-	-	-
Closing Balance at End of Year	$ 2,855,530	$ 16,694	$ 938,722	$ 15,543	$ 32,384	$ 3,858,873	$ 3,429,703
Net Book Value:							
Opening Balance at Start of Year	$ 5,730,583	$ 67,725	$ 26,272	$ 5,333	$ -	$ 5,829,913	$ 6,247,214
Closing Balance at End of Year	5,320,748	49,731	15,521	22,183	-	5,408,183	5,829,913
Change in Net Book Value	$ 409,835	$ 17,994	$ 10,751	$ (16,850)	$ -	$ 421,730	$ 417,301
Disposals:							
Historical Cost	$ -	$ 36,459	$ -	$ -	$ -	$ 36,459	$ -
Accumulated amortization	-	(21,786)	-	-	-	(21,786)	-
Net Cost	-	14,673	-	-	-	14,673	-
Price of Sale	-	-	-	-	-	-	-
Gain (Loss) on Disposal	$ -	$ (14,673)	$ -	$ -	$ -	$ (14,673)	$ -